

MOGALAKWENA MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS

For The Year Ended

30 June 2007



I am responsible for the preparation of these Annual Financial Statements, which are set out in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors as disclosed in note 20 of these Annual Financial Statements are within the upper limits of the framework envisaged in section 219 of the constitution, read with the Remuneration of Public Office Bearers Act and the Minister of Provincial and Local Government's Determination in accordance with this Act.

Makobe D.H.
Municipal Manager

Date

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Finance Management Act, 56 of 2003.	

MOGALAKWENA MUNICIPALITY



STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2007

	Note	2007 R	2006 R
NET ASSETS AND LIABILITIES			
Net Assets		508 215 826	341 671 748
Housing Development Fund	1	-	1 222 697
Capital Replacement Reserve		54 006 097	52 105 472
Capitalisation Reserve		60 909 155	32 170 507
Government Grant Reserve		193 313 015	157 031 300
Donations and public contributions reserves		733 231	807 348
Revaluation Reserve		79 889 401	13 253 165
Accumulated Surplus / (Deficit)		119 364 927	85 081 259
Non-Current Liabilities		229 821	284 839
Non-Current Provisions	2	229 821	284 839
Current Liabilities		83 005 895	71 298 425
Consumer Deposits	3	12 083 714	10 730 283
Provisions	4	1 288 197	480 928
Creditors	5	32 563 645	30 180 504
Unspent Conditional Grants and Receipts	6	31 820 025	25 267 684
VAT	7	5 250 315	4 639 027
TOTAL NET ASSETS AND LIABILITIES		591 451 541	413 255 012
ASSETS			
Non-Current Assets		382 217 965	256 747 418
Property Plant and Equipment	8	381 878 142	255 896 479
Long-Term Receivables	9	339 823	850 939
Current Assets		209 233 576	156 507 594
Inventory	10	8 578 918	3 039 660
Consumer Debtors	11	43 107 845	36 023 439
Other Debtors	12	5 621 077	5 758 758
Current Portion of Long-Term Debtors	9	930 568	1 150 151
Call Investment Deposits	13	148 000 000	102 008 692
Bank Balances and Cash	14	2 995 168	8 526 893
TOTAL ASSETS		591 451 541	413 255 012

MOGALAKWENA MUNICIPALITY



STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2007

BUDGET			ACTUAL		
2006	2007		Note	2007	2006
R	R			R	R
<u>REVENUE</u>					
30 875 025	30 679 075	Property rates	15	31 174 471	30 126 781
86 925 684	90 934 359	Service charges	16	105 410 897	90 487 244
246 250	250 750	Rental of facilities and equipment		257 105	262 863
4 500 000	5 000 000	Interest earned - external investments		12 549 174	6 795 504
3 000 000	3 000 000	Interest earned - outstanding debtors		3 610 187	10 869 524
1 656 000	1 656 000	Fines		1 370 849	936 260
5 182 000	5 325 100	Licences and permits		5 107 122	5 112 415
89 500	98 772	Income for agency services		72 251	76 061
68 546 195	131 480 443	Government grants and subsidies	17	144 012 276	105 804 384
1 969 362	2 318 869	Other income	18	15 917 630	22 686 829
		Public contributions, donated and contributed property, plant and equipment			666
202 990 016	270 743 368	Total Revenue		319 481 963	273 158 531
<u>EXPENDITURE</u>					
64 530 401	71 470 457	Employee related costs	19	72 889 978	59 526 461
6 476 334	10 311 602	Remuneration of Councillors	20	9 010 240	7 189 762
13 482 361	14 694 185	Bad debts		14 694 185	33 160 347
	300 000	Collection costs		133 958	
12 795 005	23 882 777	Depreciation		22 952 972	11 592 549
16 147 929	22 409 757	Repairs and maintenance		31 177 187	27 986 827
47 573 694	50 036 878	Bulk Purchases	21	47 477 717	43 297 828
34 275 600	35 463 389	General Expenditure		43 526 869	28 450 472
-	-	Loss on disposal of property, plant and equipment		74 681	381 890
-	-			-	-
195 281 324	228 569 045	Total Expenditure		241 937 787	211 586 136
7 708 692	42 174 323	SURPLUS / (DEFICIT) FOR THE YEAR		77 544 176	61 572 395

MOGALAKWENA LOCAL MUNICIPALITY



STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2007

	<u>Housing Development Fund</u>	<u>Capital Replacement Reserve</u>	<u>Capitalisation Reserve</u>	<u>Government Grant Reserve</u>	<u>Donations and Public Contribution Reserve</u>	<u>Revaluation Reserve</u>	<u>Accumulated Surplus/ (Deficit)</u>	<u>Total</u>
		R	R	R	R	R	R	R
Balance at 30 June 2006	1 222 697	52 105 472	32 170 507	157 031 300	807 348	13 253 165	87 339 086	343 929 575
2007								
Correction of error (Note 22)							(2 257 827)	(2 257 827)
Restated balance	1 222 697	52 105 472	32 170 507	157 031 300	807 348	13 253 165	85 081 259	341 671 749
Surplus/(deficit) for the year							77 544 176	77 544 176
Dividends paid (municipal entities only)						79 889 401		79 889 401
Transfer to CRR		17 771 707					(17 771 707)	
Property, plant and equipment purchased		(15 871 082)					15 871 082	
Capital grants used to purchase PPE				50 702 347			(50 702 347)	
Donated/contributed PPE							0	
Contribution to Insurance Reserve							0	
Insurance claims processed							0	
Transfer to Housing Development Fund							0	
Transfer to Capitalisation reserve	(1 222 697)		37 755 924	(11 821 765)		(7 857 608)	(16 853 854)	
Fixed property previously not on asset register				9 110 500				9 110 500
Transfer to Government grant reserve								
Asset disposals			(74 430)	(723 707)		(5 395 557)	6 193 694	
Offsetting of deprediation			(8 942 846)	(10 985 660)	(74 117)		20 002 623	
Balance at 30 June 2007	0	54 006 097	60 909 155	193 313 015	733 231	79 889 401	119 364 927	508 215 826

MOGALAKWENA LOCAL MUNICIPALITY
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2007



	Note	2007 R	2006 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from ratepayers, government and other		319 481 963	274 071 118
Cash paid to suppliers and employees		(147 803 016)	(191 589 510)
Cash generated from/(utilised in) operations	23	171 678 947	82 481 608
Interest received		16 159 361	17 665 028
NET CASH FROM OPERATING ACTIVITIES		187 838 308	100 146 636
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(149 462 856)	(68 533 197)
Proceeds on disposal of property, plant and equipment			1 211 112
(Increase)/decrease in non-current receivables		730 699	2 741 481
(Increase) decrease in call investment deposits		(45 991 308)	(33 008 692)
Receipts from long term debtors			
NET CASH FROM INVESTING ACTIVITIES		(194 723 465)	(97 589 296)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in consumer deposits		1 353 431	1 276 613
NET CASH FROM FINANCING ACTIVITIES		1 353 431	1 276 613
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		-5 531 726	3 833 952
Cash and cash equivalents at the beginning of the year		8 526 893	4 692 938
Cash and cash equivalents at the end of the year	24	2 995 168	8 526 893

MOGALAKWENA MUNICIPALITY



ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2007

1. BASIS OF PREPARATION

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention, except for land and buildings which are carried at fair value.

These annual financial statements have been prepared in accordance with Generally Accepted Municipal Accounting Practices (GAMAP) and Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No.56 of 2003). These accounting policies are consistent with those of the previous financial year, however the Housing Development fund and Reserve Funds were changed with the take-on of assets to the financial system.

These annual financial statements complied with the specimen statements issued by National Treasury MFMA Circular No 18.

2. PRESENTATION CURRENCY

These annual financial statements are presented in South African Rand.

3. GOING CONCERN ASSUMPTION

These annual financial statements have been prepared on a going concern basis.

4. HOUSING DEVELOPMENT FUND

The balance on the Housing Development Fund was moved to the Capitalisation Reserve due the the take-on of assets to the financial system.

5. RESERVES

5.1 Capital Replacement Reserve (CRR)

In order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus/(deficit) to the CRR in terms of the amount budgeted on the operating budget. A corresponding amount is transferred to an investment account. The cash in this designated CRR investment account can only be utilised to finance items of property, plant and equipment. The CRR is reduced and the accumulated surplus/(deficit) is credited by a corresponding amount when the amounts in the CRR are utilised.

The amount transferred to the CRR is based on affordability and not on the municipality's need to finance future capital projects included in the Integrated Development Plan.

5.2 Capitalisation Reserve

On the implementation of GAMAP/GRAP, the balance on certain funds, created in terms of the various Provincial Ordinances applicable at the time, that had historically been utilised for the acquisition of items of property, plant and equipment have been transferred to a Capitalisation Reserve instead of the accumulated surplus/(deficit) in terms of a directive (budget circular) issued by National Treasury. The purpose of this Reserve is to promote consumer equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of these items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus/(deficit). The balance on the Capitalisation Reserve equals the carrying value of the items of property, plant and equipment financed from former legislated funds. When items of property, plant and equipment are depreciated, a transfer is made from the Capitalisation Reserve to the accumulated surplus/(deficit).

When an item of property, plant and equipment is disposed, the balance in the Capitalisation Reserve relating to such item, is transferred to the accumulated surplus/(deficit).

5.3 Government Grant Reserve

When items of property, plant and equipment are financed from government grants, a transfer is made from the accumulated surplus/(deficit) to the Government Grant Reserve equal to the Government Grant recorded as revenue in the Statement of Financial Performance in accordance with a directive (budget circular) issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Government Grant Reserve to the accumulated surplus/(deficit). The purpose of this policy is to promote community equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of government grant funded items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus/(deficit).

When an item of property, plant and equipment financed from government grants is disposed, the balance in the Government Grant Reserve relating to such item is transferred to the accumulated surplus/(deficit).

5.4 Donations and Public Contributions Reserve

When items of property, plant and equipment are financed from public contributions and donations, a transfer is made from the accumulated surplus/(deficit) to the Donations and Public Contributions Reserve equal to the donations and public contributions recorded as revenue in the Statement of Financial Performance in accordance with a directive (budget circular) issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Donations and Public Contributions Reserve to the accumulated surplus/(deficit). The purpose of this policy is to promote community equity and facilitate budgetary control by ensuring that sufficient funds are set aside to offset the future depreciation charges that will be incurred over the estimated useful life of the item of property, plant and equipment financed from donations and public contributions.

When an item of property, plant and equipment financed from donations and public contributions is disposed, the balance in the Donations and Public Contributions Reserve relating to such item is transferred to the accumulated surplus/(deficit).

5.5 Revaluation Reserve

The surplus arising from the revaluation of land and buildings is credited to a non-distributable reserve. On disposal, the net revaluation surplus is transferred to the accumulated surplus/(deficit) while gains or losses on disposal, based on revalued amounts, are credited or charged to the Statement of Financial Performance.

6. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, is stated at cost, less accumulated depreciation and accumulated impairment losses, except land and buildings, which were revalued on 30 June 2007.

Depreciation is calculated on cost, using the straight-line method over the estimated useful lives of the assets. The annual depreciation rates are based on the following estimated asset lives :-

Infrastructure	Years	Other	Years
Electricity	5-30	Buildings	30
Roads	5-30	Office equipment	2-7
Water	5-20	Furniture and fittings	5-20
Sewerage	5-20	Bins and containers	5
		Emergency equipment	5-10
Community		Motor vehicles	5
Buildings	30	Fire engines	10
Recreational facilities	15	Plant and equipment	2-10
Security	3-5		

All other information in regard with property, plant and equipment is contained in the fixed asset management policy.

Where items of property, plant and equipment have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified except where impairment reverses a previous valuation.

Gains and losses on disposals of property, plant and equipment are determined by reference to the carrying amounts and are taken into account in determining operating surplus.

7. REVALUATION OF LAND AND BUILDINGS

Land and buildings are stated at revalued amounts, being the fair value at the date of revaluation.

8. INVESTMENTS

Financial instruments, which include short-term deposits are invested in registered commercial banks and are stated at cost. Investments are stated at cost, less impairment adjustments. Where investments have been impaired, it is recognised as an expense in the period that the impairment is identified. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

9. INVENTORIES

Consumable stores and water are valued at the lower of cost and net realisable value. In general, the basis of determining cost is the first-in, first-out method.

Redundant and slow-moving inventories are identified and written down from cost to net realisable value with regard to the estimated economic or realisable values.

10. ACCOUNTS RECEIVABLE

Debtors are carried at anticipated realisable value. An estimate is made for doubtful debts based on the following formula: Consumer debtors divided by consumer related revenue (incl interest on arrears less than 120 days) multiply by 365 days (factor). Consumer debtors divided by the factor multiply by the factor less 120 days. Bad debts are written off during the year in which the council resolution was taken. The CFO is delegated to write off debts which are less than R200.00. Amounts that are receivable within 12 months from the reporting date are classified as current.

11. TRADE CREDITORS

Trade creditors are stated at their nominal value.

12. REVENUE

12.1 Revenue from Exchange Transactions

Service charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption are made when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced. Adjustment to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. Revenue from the sale of electricity prepaid meter cards are recognised at the point of sale.

Service charges relating to refuse removal, sewerage and sanitation are recognised on a monthly basis in arrears by applying the approved tariffs from Council. Tariffs are determined by the size and the classification of the property.

Income for agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income recognised is in terms of the agency agreement.

Interest income is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the municipality.

Revenue from fines is recognised when payment is received, and the revenue from the issuing of summonses is only recognised when actually collected.

Government grants are recognised as revenue when all conditions associated with the grant have been met. Where grants have been received but the municipality has not met the condition, a liability is raised.

Amounts received from government and donors for the purpose of acquiring items of property, plant and equipment are recognised as revenue when all conditions associated with the grant have been met. Where grants have been received but the Municipality has not met the condition, a liability is raised.

Revenue from the sale of goods is recognised when payment is received and the risk is passed to the customer.

12.2 Revenue from non-exchange transactions

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a monthly basis.

13. CONDITIONAL GRANTS AND RECEIPTS

Revenue received from Conditional Grants, Donations and Funding are recognised as Revenue to the extent that the Municipality has complied with any of the criteria, conditions and obligations embodied in the agreement. Where the criteria of the conditions and obligations were not met, the outstanding obligation is recognised as a liability.

14. PROVISIONS

Provisions are recognised when the Municipality has a present or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the provision can be made. Provisions are reviewed at reporting sheet date and adjusted to reflect the current best estimate.

15. CASH AND CASH EQUIVALENTS

Cash includes cash on hand and cash with banks. Cash equivalents are short-term highly liquid investments that are held with the registered banking institutions with maturities of six months or less and are subject to an insignificant risk of change in value.

For the purpose of the cash flow statement, cash and cash equivalents comprise cash on hand, deposit held on call with banks and investments in financial instruments, net of bank overdraft.

16. UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted for, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality, or organ of the state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No.56 of 2003).

Unauthorised expenditure will be accounted for as an expense in the Statement of Financial Performance, and where recovered, it will be accounted for as revenue in the Statement of Financial Performance.

17. IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), the Public Office Bearers Act (Act No.20 of 1998) or is in contravention of the Municipality's supply chain management policy. Irregular Expenditure excludes unauthorised expenditure.

Irregular expenditure will be accounted for as an expenditure in the Statement of Financial Performance, and where recovered, it will be accounted for as revenue in the Statement of Financial Performance.

18. FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is an expenditure that was made in vain and would have been avoided had reasonable care been exercised.

Fruitless and wasteful expenditure will be accounted for as an expenditure in the Statement of Financial Performance, and where recovered, it will be accounted for as revenue in the Statement of Financial Performance.

19. COMPARATIVE INFORMATION

19.1 Current Year Comparatives

Budgeted amounts have been included in the annual financial statements for the current financial year only.

19.2 Prior Year Comparatives

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are reclassified. The nature and reason for the reclassification is disclosed.



2007
R

2006
R

1. HOUSING DEVELOPMENT FUND

Housing Development Fund
Unappropriated Surplus

0	1 222 697
0	1 222 697

The Housing Development Fund is represented by the following assets and liabilities

Property, plant and equipment (see note 8)

Total Housing Development Fund Assets and Liabilities

0	1 222 697
0	1 222 697

The credit on this fund was moved to the capitalisation reserve due to the take-on of assets to the financial system.

2. NON-CURRENT PROVISIONS

Provision for long-service
Total Non-Current Provisions

229 821	284 839
229 821	284 839

The long-service award is payable after the first 10 years of continuous service and thereafter every 5 years of continuous service. The provision is based on the long-service leave to which employees are entitled to on 30 June 2007. The current portion is calculated at 60% of the long-service.

The movement in the non-current provision is reconciled as follows: -

**Long
service**

30 June 2007

Balance at beginning of year
Contributions to provision
Expenditure incurred
Transfer to current provisions
Balance at end of year

284 839	
463 551	503 762
0	(96 849)
(518 569)	(122 074)
229 821	284 839

3. CONSUMER DEPOSITS

Electricity and Water

12 083 714 10 730 283

Total Consumer Deposits

12 083 714 10 730 283

Guarantees held in lieu of Electricity and Water Deposits

1 895 346 1 895 346

4. PROVISIONS

Performance bonus
Current portion of long-service provision (see note 2 above)

943 465 358 854
344 732 122 074

Total Provisions

1 288 197 480 928

Performance bonuses accrue to employees, subject to certain conditions.
The provision is an estimate of the amount due to staff at the reporting date.

The movement in current provisions are reconciled as follows: -

30 June 2007

Balance at beginning of year
Transfer from non-current
Contributions to provision
Expenditure incurred
Balance at end of year

<u>Performance Bonus</u>	<u>Current portion Long-service</u>
358 854	122 074
-	518 569
1 105 870	-
(521 260)	(295 911)
943 465	344 732

30 June 2006

Balance at beginning of year
Transfer from non-current
Contributions to provision
Expenditure incurred
Balance at end of year

<u>Performance Bonus</u>	<u>Current portion Long-service</u>
-	-
-	122 074
358 854	-
-	-
358 854	122 074

5. CREDITORS

Trade Creditors
Unclaimed monies
Retentions
Staff leave
Other deposits

8 801 394 12 639 940
6 567 111 6 120 790
10 318 657 6 985 482
5 248 850 3 967 411
74 767 135 221



	2007	2006
	R	R
Other creditors -Development fund,education fund and other	1 552 865	331 660
Total Creditors	32 563 645	30 180 504



2007
R

2006
R

6. UNSPENT CONDITIONAL GRANTS AND RECEIPTS

6.1 Conditional Grants from other spheres of Government

MIG Grant (see note 17)

Department of Water Affairs (see note 17)

Office of the Premier (see note 17)

Finance management grant (see note 17)

Department of sport and agriculture (see note 17)

Provincial LED Projects (see note 17)

National Lottery funding

Department of Mineral and Energy

National Road agency

Equitable Share

31 820 025

23 634 506

16 530 701

14 100 233

1 025 076

1 076 200

4 279 200

4 311 357

168 566

223 526

470 385

470 385

118

13 380

377 471

757 533

1 623 266

40 000

2 641 893

2 641 893

4 703 349

-

6.2 Other Conditional Receipts

Waterberg District Municipality

Education Fund

Development Fund Creditors

PPL Mine

0

1 633 177

0

65 041

0

6 985

0

1 354 378

0

206 773

6.2.1 Education Fund

Balance Unspent at the Beginning of the Year

54 130

Current Year Receipts

-

Conditions Met - Transferred to Revenue

47 145

Conditions Still to be Met - Transferred to Liabilities

0

6 985

This fund was moved to other creditors in 2006/2007

6.2.2 Free Basic Services - Waterberg District Municipality

Balance Unspent at the Beginning of the Year

65 042

1 526 074

Current Year Receipts

-

-

Conditions Met - Transferred to Revenue

65 042

1 461 033

Conditions Still to be Met - Transferred to Liabilities

0

65 041

6.2.3 Development Fund Creditors

Balance Unspent at the Beginning of the Year

1 179 611

Current Year Receipts

174 767

Conditions Met - Transferred to Revenue

-

-

Conditions Still to be Met - Transferred to Liabilities

0

1 354 378

This fund was moved to other creditors in 2006/2007

6.2.4 PPL Mine - Quarters at Mokopane Hospital

Balance Unspent at the Beginning of the Year

206 773

-

Current Year Receipts

930 480

Conditions Met - Transferred to Revenue

206 773

723 707

Conditions Still to be Met - Transferred to Liabilities

0

206 773

Total Conditional Grants and Receipts

31 820 025

25 267 684

See note 17 for reconciliation of grants from other spheres of government.

These amounts are invested in a ring-fenced investment until utilized.

7. VAT

VAT payable

5 250 315

4 639 027

VAT is payable on the receipts basis. Only once payment is received from debtors is VAT paid over to SARS



2007
R

2006
R

9. LONG-TERM RECEIVABLES

Car loans	723 304	1 451 674
Study Loans	66 486	80 397
Sale of stands	480 601	469 019
Removal cost	-	-
	1 270 391	2 001 090
Less : Current portion transferred to current receivables	930 568	1 150 151
Car loans	388 403	654 926
Study Loans	61 564	26 206
Sale of stands	480 601	469 019
Removal cost	-	-
Total	339 823	850 939

CAR LOANS

Senior staff are entitled to car loans which attract interest at 8% per annum and which are repayable over a maximum period of 6 years. These loans are repayable in the year 2010.

STUDY LOANS

These loans are repayable in the year 2010. 5% interest per annum is charged.

SALE OF STANDS

Stands are sold on a cash/bank guarantee basis. Outstanding loans are repayable in the year 2006. 16% interest per annum is charged.

10. INVENTORY

Consumable stores - at cost	3 440 070	2 951 409
Water - at cost	110 289	88 251
Stands held for sale	5 028 559	
Total Inventory	8 578 918	3 039 660

11. CONSUMER DEBTORS

As at 30 June 2007

	Gross Balances	Provision for Bad Debts	Net Balance
Service Debtors			
- Rates	44 681 701		44 681 701
- Sewerage	10 233 630		10 233 630
- Refuse	15 849 137		15 849 137
- Water	31 455 930		31 455 930
- Electricity	11 825 951		11 825 951
- Interest	45 590 712		45 590 712
- Other	6 399 850		6 399 850
Provision for Bad Debt		(122 929 066)	(122 929 066)
Total	166 036 911	(122 929 066)	43 107 845

As at 30 June 2006

Service Debtors			
- Rates	38 031 233		38 031 233
- Sewerage	8 395 406		8 395 406
- Refuse	13 164 942		13 164 942
- Water	22 646 110		22 646 110
- Electricity	10 810 717		10 810 717
- Interest	33 958 974		33 958 974
- Other	7 895 289		7 895 289
Provision for Bad Debt		(98 879 232)	(98 879 232)
Total	134 902 671	(98 879 232)	36 023 439



Rates - Ageing

	2007 R	2006 R
Current (0 - 30 Days)	4 797 085	5 406 583
31 - 60 Days	1 083 991	1 045 290
61 - 90 Days	974 989	974 931
91 - 120 Days	37 825 636	30 604 428
Total	44 681 701	38 031 232

Electricity, Water, Interest, Sundries, Refuse and Sewerage - Ageing

Current (0 - 30 Days)	16 614 898	17 992 677
31 - 60 Days	3 762 331	3 671 901
61 - 90 Days	2 954 434	2 573 458
91 - 120 Days	98 023 547	72 633 402
Total	121 355 210	96 871 438

Summary of Debtors by Customer Classification

30 June 2007

	Consumers	Industrial/ Commercial	National & Provincial Government
Current (0 - 30 Days)	13 100 979	# 6 655 461	1 655 543
31 - 60 Days	3 489 026	783 731	573 565
61 - 90 Days	3 122 033	340 278	467 112
91 - 120 Days	117 913 253	4 985 553	12 950 377
Total Debtors by Customer Classification	137 625 291	12 765 023	15 646 597

Summary of Debtors by Customer Classification

30 June 2006

	Consumers	Industrial/ Commercial	National & Provincial Government
Current (0 - 30 Days)	14 282 193	# 7 411 787	1 705 281
31 - 60 Days	3 684 569	622 041	410 581
61 - 90 Days	2 880 152	308 422	359 815
91 - 120 Days	89 455 928	4 468 168	9 313 733
Total Debtors by Customer Classification	110 302 842	12 810 418	11 789 410

12. OTHER DEBTORS

Amounts Receivable	401 981	2 340 624
Suspense Account Debtors	1 739 331	1 599 499
Accumulated interest not received	3 479 765	1 818 635
Total Other Debtors	5 621 077	5 758 758

13. CALL INVESTMENT DEPOSITS

Other Deposits	148 000 000	102 008 692
	148 000 000	102 008 692

Other deposits of R 54 006 097 (2006: R 52 105 472) are ring-fenced and attributable to the Capital Replacement Reserve.



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14. BANK, CASH AND OVERDRAFT BALANCES

The Municipality has the following bank accounts: -

Current Account (Primary Bank Account)

Standard Bank - Mokopane Branch
Account Number - 031264344

Cash book balance at beginning of year	8 513 888	4 708 624
Cash book balance at end of year	2 974 663	8 513 888
Bank statement balance at beginning of year	9 857 931	5 201 110
Bank statement balance at end of year	4 099 516	9 857 931

Current Account (Previous Bank Account)

Nedbank - Mokopane Branch
Account number: 1427 246 440

Cash book balance at beginning of year - (overdrawn)		-23 741
Cash book balance at end of year - (overdrawn)	-	-
Bank Statement Balance at the Beginning of the Year		15520
Bank Statement Balance at the End of the Year	-	-

Other Cash

Petty Cash	20505	13005
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15. PROPERTY RATES

Actual

Residential	12 493 374	12 289 619
Industrial	2 233 894	2 155 012
Undeveloped	2 266 562	2 043 617
Consent use	404 660	302 112
Commercial	10 858 779	10 538 955
State	2 917 202	2 797 466
Total Assessment Rates	31 174 471	30 126 781

Valuation

Residential	140 497 791	138 874 810
Industrial	14 890 400	13 458 400
Undeveloped	11 859 963	15 842 062
Consent use	3 499 300	1 604 400
Commercial	58 126 400	57 368 200
State	15 758 340	11 233 100
Municipality	32 574 000	
Total Property Valuations	277 206 194	238 380 972

Valuations on land and buildings are performed every four years. The last valuation came into effect on 1 July 2002. Extension to use the existing valuation roll was granted till 30 June 2007. Interim valuations are processed on a continuous basis to take into account changes in individual property values due to alterations and subdivisions. A general rate of R0.1977 (2006 : R0.1883) is applied to property valuations to determine assessment rates. All municipal property was revalued at 30 June 2007.



	2007 R	2006 R
16. SERVICE CHARGES		
Sale of electricity	64 303 409	56 231 069
Sale of water	26 669 343	20 269 393
Refuse removal	6 678 097	6 415 417
Sewerage and sanitation charges	7 760 049	7 571 365
Total Service Charges	105 410 897	90 487 244
17. GOVERNMENT GRANTS AND SUBSIDIES		
Equitable share	73 547 544	67 154 775
MIG Grant	45 545 916	30 111 979
Department of Water Affairs	21 780 487	4 552 572
Office of the Premier	312	706 295
Finance management grant	554 959	293 197
Community Development workers grant		67 175
Department of sport and agriculture		1 041 937
Provincial LED Projects	13 262	40 090
European Union Funding		286 365
Department of Mineral and Energy	2 189 734	1 550 000
Lottery Funding	380 062	
	144 012 276	105 804 384
17.1 Equitable Share - Phola Park roads & stormwater		
Balance Unspent at the Beginning of the Year		
Current Year Receipts	1 000 000	
Conditions Met - Transferred to Revenue	-	
Conditions Still to be Met - Transferred to Liabilities (see note 6)	1 000 000	-
17.2 Equitable Share - Mahwelereng Roads & Stormwater Unit A		
Balance Unspent at the Beginning of the Year		
Current Year Receipts	500 000	
Conditions Met - Transferred to Revenue	500 000	
Conditions Still to be Met - Transferred to Liabilities (see note 6)	-	-
17.3 Equitable Share - Mahwelereng Roads & Stormwater Unit B		
Balance Unspent at the Beginning of the Year		
Current Year Receipts	500 000	
Conditions Met - Transferred to Revenue	358 400	
Conditions Still to be Met - Transferred to Liabilities (see note 6)	141 600	-
17.4 Equitable Share - Extention 19 Roads & Stormwater		
Balance Unspent at the Beginning of the Year		
Current Year Receipts	950 000	
Conditions Met - Transferred to Revenue	-	
Conditions Still to be Met - Transferred to Liabilities (see note 6)	950 000	-
17.5 Equitable Share - Sekgakgapeng Main Taxi Route		
Balance Unspent at the Beginning of the Year		
Current Year Receipts	1 000 000	
Conditions Met - Transferred to Revenue	664 838	
Conditions Still to be Met - Transferred to Liabilities (see note 6)	335 162	-
17.6 Equitable Share - Rehabilitation of roads in Rebone		
Balance Unspent at the Beginning of the Year		
Current Year Receipts	1 000 000	
Conditions Met - Transferred to Revenue	330 854	
Conditions Still to be Met - Transferred to Liabilities (see note 6)	669 146	-
17.7 Equitable Share - Upgrading of stormwater system : Mahwelereng main access		
Balance Unspent at the Beginning of the Year		
Current Year Receipts	285 000	
Conditions Met - Transferred to Revenue	-	
Conditions Still to be Met - Transferred to Liabilities (see note 6)	285 000	-



	2007 R	2006 R
17.8 Equitable Share - Refuse bins for multi purpose refuse truck		
Balance Unspent at the Beginning of the Year		
Current Year Receipts	2 000 000	
Conditions Met - Transferred to Revenue	2 000 000	
Conditions Still to be Met - Transferred to Liabilities (see note 6)	-	-
17.9 Equitable Share - High mast lights in villages		
Balance Unspent at the Beginning of the Year		
Current Year Receipts	600 000	
Conditions Met - Transferred to Revenue	600 000	
Conditions Still to be Met - Transferred to Liabilities (see note 6)	-	-
17.10 Equitable Share - Water pipes : Impala Park		
Balance Unspent at the Beginning of the Year		
Current Year Receipts	500 000	
Conditions Met - Transferred to Revenue	227 559	
Conditions Still to be Met - Transferred to Liabilities (see note 6)	272 441	-
17.11 Equitable Share - Black Rock		
Balance Unspent at the Beginning of the Year		
Current Year Receipts	1 050 000	
Conditions Met - Transferred to Revenue	-	
Conditions Still to be Met - Transferred to Liabilities (see note 6)	1 050 000	-
17.12 Equitable Share - Masodi, Madiba, Sekgakgapeng		
Balance Unspent at the Beginning of the Year		154389
Current Year Receipts	-	-
Conditions Met - Transferred to Revenue	-	-
Conditions Met - Transferred to Accumulated surplus		154389
Conditions Still to be Met - Transferred to Liabilities (see note 6)	-	-
17.13 Equitable Share - Makapansvalley		
Balance Unspent at the Beginning of the Year		237 588
Current Year Receipts	-	-
Conditions Met - Transferred to Revenue		237588
Conditions Still to be Met - Transferred to Liabilities (see note 6)	-	-
17.14 Equitable share - Free Basic Electricity		
Balance Unspent at the Beginning of the Year	-	-
Current Year Receipts	3 226 730	3 000 000
Conditions Met - Transferred to Revenue	3 226 730	3 000 000
Conditions Still to be Met - Transferred to Liabilities (see note 6)	-	-
17.15 Equitable Share - Free Basic Water		
Balance Unspent at the Beginning of the Year	-	-
Current Year Receipts	8 350 632	9 290 000
Conditions Met - Transferred to Revenue	8 350 632	9 290 000
Conditions Still to be Met - Transferred to Liabilities (see note 6)	-	-
17.16 Equitable Share - To Operational Budget		
Balance Unspent at the Beginning of the Year	-	-
Current Year Receipts	57 288 531	47 627 187
Conditions Met - Transferred to Revenue	57 288 531	47 627 187
Conditions Still to be Met - Transferred to Liabilities (see note 6)	-	-

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. All registered indigents receive a monthly subsidy of R 142.87 (2006 : R 119.52), which is funded from this grant.



	2007 R	2006 R
17.17 Sport and Recreation Grant		
Balance Unspent at the Beginning of the Year	470 385	1 512 322
Current Year Receipts	-	-
Conditions Met - Transferred to Revenue		1 041 937
Conditions Still to be Met - Transferred to Liabilities (see note 6)	<u>470 385</u>	<u>470 385</u>
17.18 Office of the Premier -Babirwa Resource Centre		
Balance Unspent at the Beginning of the Year	10 755	154 825
Current Year Receipts	-	-
Conditions Met - Transferred to Revenue		144 070
Conditions Still to be Met - Transferred to Liabilities (see note 6)	<u>10 755</u>	<u>10 755</u>
17.19 Waterberg District Municipality		
Balance Unspent at the Beginning of the Year		185 878
Current Year Receipts	-	-
Conditions Met - Transferred to Revenue	-	-
Conditions Met - Transferred to Accumulated Surplus		185 878
Conditions Still to be Met - Transferred to Liabilities (see note 6)	<u>-</u>	<u>-</u>
17.20 MIG Funding		
Balance Unspent at the Beginning of the Year	14 100 233	895 661
Current Year Receipts	47 976 384	43 316 551
Conditions Met - Transferred to Revenue	45 545 916	30 111 979
Conditions Still to be Met - Transferred to Liabilities (see note 6)	<u>16 530 701</u>	<u>14 100 233</u>
17.21 Sanitation Programme - DWAF		
Balance Unspent at the Beginning of the Year	65 683	1 025 287
Current Year Receipts	-	-
Conditions Met - Transferred to Revenue	65 683	959 503
Conditions Still to be Met - Transferred to Liabilities (see note 6)	<u>-</u>	<u>65 683</u>
17.22 Drought Relief Phase II - DWAF		
Balance Unspent at the Beginning of the Year		910 000
Current Year Receipts	-	-
Conditions Met - Transferred to Revenue		910 000
Conditions Still to be Met - Transferred to Liabilities (see note 6)	<u>-</u>	<u>-</u>
17.23 Equitable Share - Bakenberg		
Balance Unspent at the Beginning of the Year		119 329
Current Year Receipts	-	-
Conditions Met - Transferred to Revenue	-	-
Conditions Met - Transferred to Accumulated Surplus		119 329
Conditions Still to be Met - Transferred to Liabilities (see note 6)	<u>-</u>	<u>-</u>
17.24 Cattle Pound Funding		
Balance Unspent at the Beginning of the Year		2
Current Year Receipts	-	-
Conditions Met - Transferred to Revenue	-	-
Conditions Met - Transferred to Accumulated Surplus		2
Conditions Still to be Met - Transferred to Liabilities (see note 6)	<u>-</u>	<u>-</u>
17.25 LED Kadikgatlo Stone Crushing		
Balance Unspent at the Beginning of the Year		509
Current Year Receipts	-	-
Conditions Met - Transferred to Revenue	-	-
Conditions Met - Transferred to Accumulated Surplus		509
Conditions Still to be Met - Transferred to Liabilities (see note 6)	<u>-</u>	<u>-</u>



	2007 R	2006 R
17.26 LED Nkidikitlana		
Balance Unspent at the Beginning of the Year		40 090
Current Year Receipts	-	-
Conditions Met - Transferred to Revenue		40 090
Conditions Still to be Met - Transferred to Liabilities (see note 6)	-	-
	<u>-</u>	<u>-</u>
17.27 LED Bakenberg Peace Project		
Balance Unspent at the Beginning of the Year	13 380	55 612
Current Year Receipts	-	-
Conditions Met - Transferred to Revenue	13 262	42 232
Conditions Still to be Met - Transferred to Liabilities (see note 6)	118	13 380
	<u>118</u>	<u>13 380</u>
17.28 Makapansvalley		
Balance Unspent at the Beginning of the Year		222 668
Current Year Receipts	-	-
Conditions Met - Transferred to Revenue	-	-
Conditions Met - Transferred to Accumulated Surplus		222 668
Conditions Still to be Met - Transferred to Liabilities (see note 6)	-	0
	<u>-</u>	<u>0</u>
17.29 EU - Upgrade boreholes Bakenberg		
Balance Unspent at the Beginning of the Year		1 167
Current Year Receipts		220 182
Received in 04/05 but not shown in 04/05		65 016
Conditions Met - Transferred to Revenue		286 365
Conditions Still to be Met - Transferred to Liabilities (see note 6)	-	-
	<u>-</u>	<u>-</u>
17.30 Mapela Regional Water Scheme		
Balance Unspent at the Beginning of the Year		115 194
Current Year Receipts	-	-
Conditions Met - Transferred to Revenue	-	-
Conditions Met - Transferred to Accumulated Surplus		115 194
Conditions Still to be Met - Transferred to Liabilities (see note 6)	-	-
	<u>-</u>	<u>-</u>
17.31 Bakenberg Regional Water Scheme		
Balance Unspent at the Beginning of the Year		365 531
Current Year Receipts	-	-
Conditions Met - Transferred to Revenue		365 531
Conditions Still to be Met - Transferred to Liabilities (see note 6)	-	-
	<u>-</u>	<u>-</u>
17.32 Rebone Regional Water Scheme		
Balance Unspent at the Beginning of the Year		335 560
Current Year Receipts	-	-
Conditions Met - Transferred to Revenue		335 560
Conditions Still to be Met - Transferred to Liabilities (see note 6)	-	-
	<u>-</u>	<u>-</u>
17.33 Glen Alpine Regional Water Scheme		
Balance Unspent at the Beginning of the Year		289 255
Current Year Receipts		-
Conditions Met - Transferred to Revenue		289 255
Conditions Still to be Met - Transferred to Liabilities (see note 6)	-	-
	<u>-</u>	<u>-</u>
17.34 Upgrading of Mogalakwena MCC Borehole - DWAF		
Balance Unspent at the Beginning of the Year	185 540	348 543
Current Year Receipts	-	-
Conditions Met - Transferred to Revenue	185 540	163 004
Conditions Still to be Met - Transferred to Liabilities (see note 6)	-	185 540
	<u>-</u>	<u>185 540</u>



	2007 R	2006 R
17.35 IDP Grant		
Balance Unspent at the Beginning of the Year		812
Current Year Receipts	-	-
Conditions Met - Transferred to Revenue	-	-
Conditions Met - Transferred to Accumulated Surplus		812
Conditions Still to be Met - Transferred to Liabilities (see note 6)	-	-
	<u>-</u>	<u>-</u>
17.36 Finance Management Grant		
Balance Unspent at the Beginning of the Year	223 526	516 723
Current Year Receipts	500 000	-
Conditions Met - Transferred to Revenue	554 959	293 197
Conditions Still to be Met - Transferred to Liabilities (see note 6)	168 566	223 526
	<u>168 566</u>	<u>223 526</u>
17.37 PHP Housing Project Sekuruwe - Office of the Premier		
Balance Unspent at the Beginning of the Year	33 827	68 637
Current Year Receipts	-	-
Conditions Met - Transferred to Revenue	31 845	34 810
Conditions Still to be Met - Transferred to Liabilities (see note 6)	1 982	33 827
	<u>1 982</u>	<u>33 827</u>
17.38 Community Development Workers Provincial		
Balance Unspent at the Beginning of the Year		762 512
Current Year Receipts	-	-
Conditions Met - Transferred to Revenue		67 175
Error - Transferred from Accumulated Surplus		(97 955)
Refund to the Department of local Government		793 292
Conditions Still to be Met - Transferred to Liabilities (see note 6)	-	-
	<u>-</u>	<u>-</u>
17.39 Equitable share - Molalagori/ Rufus Seakamela street		
Balance Unspent at the Beginning of the Year	-	-
Current Year Receipts		6 000 000
Conditions Met - Transferred to Revenue		6 000 000
Conditions Still to be Met - Transferred to Liabilities (see note 6)	-	-
	<u>-</u>	<u>-</u>
17.40 Equitable share - Upgrading gravel roads Moshate		
Balance Unspent at the Beginning of the Year	-	-
Current Year Receipts		1 000 000
Conditions Met - Transferred to Revenue		1 000 000
Conditions Still to be Met - Transferred to Liabilities (see note 6)	-	-
	<u>-</u>	<u>-</u>
17.41 Office of the Premier - Office at Dipichi		
Balance Unspent at the Beginning of the Year	37 775	-
Current Year Receipts		600 000
Conditions Met - Transferred to Revenue	312	562 225
Conditions Still to be Met - Transferred to Liabilities (see note 6)	37 463	37 775
	<u>37 463</u>	<u>37 775</u>
17.42 Sanitation programme Phase II - DWAF		
Balance Unspent at the Beginning of the Year	177 375	-
Current Year Receipts		1 127 013
Conditions Met - Transferred to Revenue		949 638
Conditions Still to be Met - Transferred to Liabilities (see note 6)	177 375	177 375
	<u>177 375</u>	<u>177 375</u>
17.43 Call centre - Office of the premier		
Balance Unspent at the Beginning of the Year	4 229 000	-
Current Year Receipts		4 229 000
Conditions Met - Transferred to Revenue	-	-
Conditions Still to be Met - Transferred to Liabilities (see note 6)	4 229 000	4 229 000
	<u>4 229 000</u>	<u>4 229 000</u>



	2007 R	2006 R
17.44 Mahwelereng water scheme LP193 - DWAF		
Balance Unspent at the Beginning of the Year	243 361	-
Current Year Receipts		499 748
Conditions Met - Transferred to Revenue	243 361	256 387
Conditions Still to be Met - Transferred to Liabilities (see note 6)	-	243 361
17.45 National lottery funding		
Balance Unspent at the Beginning of the Year	757 533	-
Current Year Receipts		757 533
Conditions Met - Transferred to Revenue	380 062	-
Conditions Still to be Met - Transferred to Liabilities (see note 6)	377 471	757 533
17.46 Electrification of Ext 19 Phase I - DME		
Balance Unspent at the Beginning of the Year	-	-
Current Year Receipts		1 550 000
Conditions Met - Transferred to Revenue		1 550 000
Conditions Still to be Met - Transferred to Liabilities (see note 6)	-	-
17.47 Electrification on farms, extention 19 and Makapansvalley - DME		
Balance Unspent at the Beginning of the Year	40 000	-
Current Year Receipts	3 773 000	40 000
Conditions Met - Transferred to Revenue	2 189 734	-
Conditions Still to be Met - Transferred to Liabilities (see note 6)	1 623 266	40 000
17.48 Masibambane Theme 3 - DWAF		
Balance Unspent at the Beginning of the Year	404 242	-
Current Year Receipts	608 831	1 677 474
Conditions Met - Transferred to Revenue	744 124	1 273 232
Conditions Still to be Met - Transferred to Liabilities (see note 6)	268 950	404 242
17.49 DWAF - Operational and Maintenance		
Balance Unspent at the Beginning of the Year		-
Current Year Receipts	21 120 531	
Conditions Met - Transferred to Revenue	20 541 780	
Conditions Still to be Met - Transferred to Liabilities (see note 6)	578 751	-
18. OTHER INCOME		
Other income	15 917 630	22 686 829
Total Other Income	15 917 630	22 686 829
19. EMPLOYEE RELATED COSTS		
Employee related costs - Salaries and Wages	40 114 115	32 411 126
Employee related costs - Contributions for UIF, pensions, medical aids, bargaining council, provident fu	12 086 484	10 843 766
Travel, motor car, accommodation, subsistence and other allowances	5 858 557	5 218 254
Housing benefits and allowances	408 552	308 434
Overtime payments	7 465 150	5 597 869
Performance bonus and leave bonus	3 964 530	3 104 371
Long -service awards and leave	3 187 295	2 527 013
Less: Employee costs included in other expenses	(194 706)	(484 373)
Total Employee Related Costs	72 889 978	59 526 461
There were no advances to employees. Loans to employees are set out in note 9.		
Remuneration of the Municipal Manager		
Annual Remuneration	475 916	488 310
Performance Bonuses	140 836	71 910
Car Allowance	231 218	215 971
Contribution to UIF, Medical, Pension Funds, Bargaining Council and skills developmet levy	103 866	95 845
Total	951 836	872 036
Remuneration of the Chief Financial Officer		
Annual Remuneration	437 815	455 630
Performance Bonuses	80 704	47 255
Car Allowance	158 631	148 171
Contribution to UIF, Medical, Pension Funds, Bargaining Council, Provident Fund and skills developme	89 264	83 129
Total Remuneration of the Chief Financial Officer	766 414	734 186



	2007 R	2006 R	
Remuneration of Individual Managers			
30 June 2007			
	Corporate Services	Developmental Services	Technical Services
Annual Remuneration	519 965	668 128	364 329
Performance Bonuses	68 566	80 982	74 787
Car Allowance	158 631	168 017	158 631
Contribution to UIF, Medical, Pension Funds, Bargaining Council, Provident Fund and skills developme	85 875	97 106	85 240
Total	833 037	1 014 233	682 987
	Community Services	Traffic and Emergency Services	
Annual Remuneration	353 899	373 785	
Performance Bonuses	75 382	0	
Car Allowance	158 631	147 185	
Contribution to UIF, Medical, Pension Funds, Bargaining Council, Provident Fund and skills developmen	99 439	67 478	
Total	687 351	588 448	

30 June 2006	Corporate Services	Developmental Services	Technical Services
Annual Remuneration	480 853	607 194	370 048
Performance Bonuses	48 393	46 118	48 393
Car Allowance	148 171	157 400	148 171
Contribution to UIF, Medical, Pension Funds, Bargaining Council, Provident Fund	78 325	89 762	77 394
Total	755 741	900 474	644 006
	Community Services	Traffic and Emergency Services	
Annual Remuneration	334 081	326 789	
Performance Bonuses	48 393	48 393	
Car Allowance	148 171	148 171	
Contribution to UIF, Medical, Pension Funds, Bargaining Council, Provident Fund	92 275	79 838	
Total	622 919	603 190	

20. REMUNERATION OF COUNCILLORS

Mayor	427 306	393 333
Speaker (from 8 March 2006)	238 679	48 713
Speaker (before 8 March 2006)		209 594
Executive Committee Members	1 959 090	1 170 480
Councillors	5 527 249	4 757 818
Councillors Pension Contribution	821 412	567 515
Councillors Medical Aid Contribution	36 504	42 310
Total Councillors' Remuneration	9 010 240	7 189 763

In-Kind Benefits

The Mayor and the Speaker are provided with an office and secretarial support at the cost of the Council.

The Mayor has use of a Council owned vehicle for official duties.

Security services were rendered at the mayor's house at the cost of council for R 118 800



21. BULK PURCHASES

	2007 R	2006 R
Electricity	33 871 197	30 228 668
Water	13 606 520	13 069 160
Total Bulk Purchases	47 477 717	43 297 828

22. CORRECTION OF ERROR

Before the implementation of Gamap adjustments to the accumulated surplus was shown in the income statement. After the implementation of Gamap the adjustments to the accumulated surplus is shown in the statement of changes in net assets.

The following adjustments were made :

Salaries for community development workers		(97 955)
Cost for council - Mapela		2 606
Payment in respect of the previous financial year		(408)
Surveillance cameras removed from year end creditors in 05/06		486 000
Government grants - conditions met before 30 June 2005		612 903
Interest on money on call 04/05		204 228
Overprovision for staff leave		368 046
Billing integration		45 769
During the year ended 30 June 2005, stands was sold for the amount of R338 001.00 but not captured in the financial statements ended 30 June 2005.		(338 001)
Depreciation calculated incorrectly for the year ended 30 June 2005		(3 250 344)
Assets written off twice		264 381
Debtors overstated in 05/06	(522 634)	
Vat understated in 05/06	(943 035)	
Correction of salary suspense	35 220	
Creditors understated in 05/06	(103 671)	
Asset wrongly capitalised	(723 707)	
	(2 257 827)	(1 702 775)

23. CASH GENERATED BY OPERATIONS

Surplus for the year	77 544 176	61 572 395
Adjustment for:-		
Depreciation	18 010 955	11 592 549
Gain/loss on disposal of property, plant and equipment	5 470 238	381 890
Contribution to provisions - non-current	-55 018	284 839
Contribution to provisions - current	807 269	480 928
Assets wrongly capitalized in 2003/2004	-	-
Contribution to bad debt provision	24 049 834	33 165 746
Investment income	(16 159 361)	(17 665 028)
Statement of changes	88 999 901	-
Operating surplus before working capital changes:	198 667 994	89 813 319
(Increase)/decrease in inventories	(5 539 258)	(1 106 138)
(Increase)/ decrease in debtors	(31 134 240)	(30 892 207)
(Increase)/ decrease in other debtors	137 681	32 858
(Decrease)/increase in conditional grants and receipts	6 552 341	12 160 786
Increase/(decrease) in creditors	2 383 141	11 490 995
Increase/(decrease) in VAT	611 288	981 995
Cash generated by operations	171 678 947	82 481 608

24. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statement comprise the following statement of amounts indicating financial position :

Bank balances and cash	2 995 168	8 526 893
Total cash and cash equivalents	2 995 168	8 526 893



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25. UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED

25.1 Unauthorised expenditure

No unauthorised expenditure has occurred in the 2006/2007 financial year

25.2 Fruitless and wasteful expenditure

No fruitless and wasteful expenditure has occurred in the 2006/2007 financial year

25.3 Irregular expenditure

No irregular expenditure has occurred in the 2006/2007 financial year

26. ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

26.1 Contributions to organized local government

Opening balance	-	-
Council subscriptions	228 944	232 918
Amount paid - current year	(228 944)	(232 918)
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	-	-

26.2 Audit fees

Opening balance	-	-
Current year audit fee	629 257	556 183
Amount paid - current year	(629 257)	(556 183)
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	-	-

26.3 VAT

All VAT returns have been submitted by the due date throughout the year.

26.4 PAYE and UIF

Opening balance	-	-
Current year payroll deductions	9 955 844	7 876 444
Amount paid - current year	(9 955 844)	(7 876 444)
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	-	0

26.5 Pension and Medical Aid Deductions

Opening balance	85 479	-
Current year payroll deductions and Council Contributions	18 942 892	14 709 932
Amount paid - current year	(19 028 371)	(14 624 453)
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	0	85 479



2007
R

2006
R

26.6 Councillor's arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days as at: -

30th June 2007

Councillor M R Lebelo
Councillor M Selomo
Councillor M I Mogotlane
Total Councillor Arrear Consumer Accounts

<u>Total</u>	<u>Outstanding less than 90 days</u>	<u>Outstanding more than 90 days</u>
872	686	186
5 183	3 117	2066
9 213	1 168	8045
15 268	4 971	10 297

30th June 2006

Councillor N L Kgobe
Councillor M R Lebelo
Councillor M Selomo
Councillor P H Tsebe
Councillor T S Kgosana
Councillor M I Mogotlane
Councillor M B Mmola
Total Councillor Arrear Consumer Accounts

<u>Total</u>	<u>Outstanding less than 90 days</u>	<u>Outstanding more than 90 days</u>
743	743	
92	92	
22 054	696	21 358
158	158	
33 778	5 210	28 568
158	158	
629	629	
57 612	7 686	49 926

During the year the following Councillors had arrear accounts outstanding for more than 90 days: -

30th June 2007

Councillor M I Mogotlane
Councillor M Selomo
Councillor M R Lebelo

<u>Highest Amount Outstanding</u>	<u>Ageing</u>
8 045	> 90 days
2 066	> 90 days
186	> 90 days

30th June 2006

Councillor T S Kgosana
Councillor M Selomo
Councillor M I Mogotlane
Councillor M A Shogole
Councillor T H Morallane

<u>Highest Amount Outstanding</u>	<u>Ageing</u>
33 778	>120 days
22 054	>120 days
4 977	>120 days
1 793	>120 days
1 526	>120 days

26.7 Non-Compliance with Chapter 11 of the Municipal Finance Management Act

The Municipality has deviated from supply chain management by not forming the specification committees as prescribed. The deviation will be corrected in the 2007/2008 financial year.

The specifications were drawn without delegated officials signing the attendance register.



2007
R

2006
R

27. CAPITAL COMMITMENTS

Commitments in respect of capital expenditure:

-Approved and contracted for
Infrastructure
Community
Heritage
Other
Housing Development Fund
Investment Properties

12 163 244	17 585 544
7 381 928	16 055 115
-	1 276 448
-	-
4 781 316	253 981
-	-
-	-

-Approved but not yet contracted for
Infrastructure
Community
Heritage
Other
Housing Development Fund
Investment Properties

5 927 199	4 229 000
4 000 000	-
1 927 199	-
-	-
-	4 229 000
-	-
-	-

Total

18 090 443	21 814 544
------------	------------

This expenditure will be financed from :

-External Loans
-Capital Replacement Reserve
-Government Grants
-Own resources
-District Council Grants

-	-
-	2 437 805
17 538 127	19 311 697
552 316	-
-	65 042
18 090 443	21 814 544

28. RETIREMENT BENEFIT INFORMATION

All Councillors and employees belong to 5 defined benefit retirement funds.

28.1 Municipal Employees Pension Fund administered by Akani.

The last actuarial valuation was done in February 2005. The valuation indicate that the funds are in sound financial position. The funding level is 106.9%

28.2 Municipal Councillors Pension Fund administered by Akani.

The last actuarial valuation was performed in June 2005. The valuation indicate that the funds are in sound financial position. The total fund amounts to R 691 889 932.

28.3 Municipal Employees Gratuity Fund administered by Coris Capital.

The last actuarial valuation was performed in June 2005. The final bonus declared was 7.3% and the growth for the year ending June 2007 was 12.2%.

28.4 National Fund for Municipal Workers administered by themselves.

The latest voluntary valuation was done on 30 June 2006. As at 30 June 2006 the results state that the way the benefits are structured in the rules, the fund is limited to an amount equal to the accumulation of all the contributions plus investment returns less administration costs.

The NFMW Retirement Fund does not have any reserve accounts or surpluses which could be allocated to members Fund records.

28.5 Transvaal Municipal Pension Fund administered by Lekana

The fund is closed for membership



29. CONTINGENT LIABILITY

Claim for surveillance cameras

2007
R

2006
R

1 474 926

1 474 926

The Municipality is being sued by Merchantile Bank for rental of surveillance cameras. Council is defending the claim based on legal advise. A court date has not yet been set. The contingent liability of R1 474 926 doesn't include legal costs. Should council be unsuccessful in defending the claim, there is a possibility that the claim will be settled from accumulated surplus.

Claim for assesment rate dispute

-

200 000

The Municipality is being sued by a rate payer, Cocosan, for an assesment rate dispute. Council is defending the claim based on legal advise. A court date has not yet been set. The contingent liability of R 200 000 doesn't include legal costs. Should council be unsuccessful in defending the claim, there is a possibility that the claim will be settled from accumulated surplus.

Claim for water account

180 000

180 000

The Municipality is being sued by a consumer, Academy of Sports Excellence, for a dispute on their water account. Council is defending the claim based on legal advise. A court date has not yet been set. The contingent liability of R 180 000 doesn't include legal costs. Should council be unsuccessful in defending the claim, there is a possibility that the claim will be settled from provision for bad debt.

Claim for termination of mandate for debt collection

11 500 000

11 500 000

The Municipality is being sued by Katlego Benefit Administrators for termination of mandate for debt collection. Council is defending the claim based on legal advise. A court date has not yet been set. The contingent liability of R11 500 000 doesn't include legal costs. Should council be unsuccessful in defending the claim, there is a possibility that the claim will be settled from the accumulated surplus or by council's insurers.

Claim for non-payment of cession

18 197

18 197

The Municipality is being sued by Sekunjalo Piping Systems for non-payment of a cession to them. Council is defending the claim based on legal advise. A court date has not yet been set. The contingent liability of R18 197 doesn't include legal costs. Should council be unsuccessful in defending the claim, there is a possibility that the claim will be settled from the accumulated surplus.

Claim for damages

The Municipality is being sued by C Oosthuizen for damages arising from pothole. Council is not defending the claim. The contingent liability amounts to R770. Should council have to pay, the claim will be settled from the insurance vote.

770

Claim for damages

6 128

The Municipality is being sued by L J Lekalakala for damages arising from pothole. Council is still considering the claim. The contingent liability amounts to R6 128.

Claim for damages

10 000

The Municipality is being sued by L F Mashiane for damages arising from pothole. Council is still considering the claim. The contingent liability amounts to R10 000.

Claim for damages

2 050

The Municipality is being sued by B Barolsky due to an accident with an employee of the municipality. Council is defending the matter based on legal advise. A court date has not yet been set. The contingent liability of R2 050 doesn't include legal costs. Should council be unsuccessful in defending the claim, there is a possibility that the claim will be settled from the insurance vote.

Claim for damages

The Municipality is being sued by Telkom for damages to their property. Council is still considering the claim and Telkom has not indicated the amount or cost of the claim.

Claim for damages

98 000

-

The municipality cancelled the deed of sale due to non-payment of the assesment rates and levies and Mr Sethoga instituted a claim of R98 000.00 against the municipality for damages. The municipality furnished the court with a cheque in the amount of R23 074.38 which is the amount due to Mr Sethoga in terms of the deed of sale.



	2007 R	2006 R
Claim for cell phone account	130 817	-
Nashua Mobile claims an amount of R130 816.79 from the municipality in respect of cell phone contracts.		
Claim for defamation	50 000	-
The municipality is being sued by Kersten Max Will for an amount of R50 000.00 for damaged due to defamation.		
Claim for land		-
The municipality has cancelled a deed of sale due to non-compliance by the purchaser, Gov-Al Properties CC and repossessed the portion of land. Gov-Al Properties CC are now suing the municipality in the High Court in order to get possession of the land again.		
Claim for damages	100 000	-
The municipality is being sued by R du Toit for an amount of R100 000.00 for damages after she fell on the pavement and hurt herself.		
Claim for damages	90 000	-
The municipality is being sued by S L Maphoto for the amount of R90 000.00 as his car was impounded by the municipality.		

30. CONTINGENT ASSETS

The Municipality have no Contingent Asset Provision for this Financial- or the Previous Financial Years.

31. IN-KIND DONATIONS AND ASSISTANCE

The Hewlett Packard Company donated used photostate machines. The equipments were donated to the NGO's and local schools. No correspondence were given to the municipality.

Donations for the mayoral golf day to the amount of R 99 751.00 was received.

32. EVENTS AFTER THE REPORTING DATE

None

33. The accounting officer deviated from the supply chain management policy of the municipality by acquiring goods in an emergency, regulation 36 (c) of the Supply Chain Management Regulations.
34. The accounting officer deviated from the supply chain management policy by extending contract of Compensation Dynamics amounting to R880 810.00. Report tabled to council.
35. There was a deviation on procurement of reconstruction, resurfacing and building of play grounds in Mapela and Rebene. (Funding is from Lotto) R526 351.60
36. A contract to the value of R1 380 571.06 has been awarded to Mr Grove ' husband to Mrs Grove' who is employed by Mogalakwena Municipality.
37. Mrs Cachalia has been awarded a contract amounting to R125 867.81, the wife to councillor Cachalia.

8. PROPERTY, PLANT AND EQUIPMENT
30 June 2007

Reconciliation of Carrying Value	Land and Buildings	Infrastructure	Community	Other	Total
	R	R	R	R	R
Carrying values at 1 July 2006	21 083 096	188 755 203	37 235 545	8 822 635	255 896 479
Cost	21 659 191	255 990 949	37 235 545	27 602 945	342 488 630
Revaluation					
Accumulated Depreciation	(576 095)	(67 235 746)	-	(18 780 310)	(86 592 151)
- Cost	(576 095)	(67 235 746)		(18 780 310)	(86 592 151)
- Revaluation	-	-	-	-	-
Acquisitions	39 167 103	11 392 032	46 997 221	4 164 080	101 720 437
Capital under Construction	2 310 405	45 377 646	54 368	-	47 742 419
Increases/decreases in revaluation					
Depreciation	(732 803)	(13 508 380)	(595 016)	(3 174 756)	(18 010 955)
- based on cost	(732 803)	(13 508 380)	(595 016)	(3 174 756)	(18 010 955)
-based on revaluation					
Carrying value of disposals	(5 395 557)			(74 681)	(5 470 238)
Cost/revaluation	(5 395 557)			(1 167 726)	(6 563 283)
Accumulated depreciation				1 093 045	1 093 045
Impairment losses					
Other movements					
Carrying Values at 30 June 2007	56 432 243	232 016 501	83 692 119	9 737 278	381 878 142
Cost	57 741 142	312 760 627	84 287 135	30 599 299	485 388 203
Revaluation	-	-	-	-	-
Accumulated Depreciation	(1 308 898)	(80 744 126)	(595 016)	(20 862 021)	(103 510 061)
- Cost	(1 308 898)	(80 744 126)	(595 016)	(20 862 021)	(103 510 061)
- Revaluation					

Carrying values at 1 July 2006 was restated due to the asset take-on to the financial system.

8. PROPERTY, PLANT AND EQUIPMENT (continued)
30 June 2006

Reconciliation of Carrying Value	Land and Buildings	Infrastructure	Community	Other	Total
	R	R	R	R	R
Carrying values at 1 July 2005	46 576 702	144 625 812	3 570 208	6 499 819	201 272 540
Cost	47 115 370	202 935 317	3 570 208	22 651 248	276 272 143
Revaluation					
Accumulated Depreciation	(538 668)	(58 309 506)	-	(16 151 429)	(74 999 603)
- Cost	(538 668)	(58 309 506)		(16 151 429)	(74 999 603)
- Revaluation	-	-	-	-	-
Acquisitions	172 533	27 823 159	125 205	4 380 028	32 500 925
Capital under Construction	1 660 343	25 486 104	7 960 132	201 986	35 308 565
Increases/decreases in revaluation					
Depreciation	(35 649)	(9 048 602)	-	(2 508 298)	(11 592 549)
- based on cost	(35 649)	(9 048 602)		(2 508 298)	(11 592 549)
-based on revaluation					
Carrying value of disposals	(1 593 002)				(1 593 002)
Cost/revaluation	(1 593 002)				(1 593 002)
Accumulated depreciation					
Impairment losses					
Other movements					
Carrying Values at 30 June 2006	46 780 927	188 886 472	11 655 545	8 573 536	255 896 479
Cost	47 355 244	256 244 580	11 655 545	27 233 262	342 488 631
Revaluation	-	-	-	-	-
Accumulated Depreciation	(574 317)	(67 358 108)	-	(18 659 727)	(86 592 152)
- Cost	(574 317)	(67 358 108)	-	(18 659 727)	(86 592 152)
- Revaluation					

Refer to Appendix B for more detail on property, plant and equipment, including those in the course of construction

APPENDIX A

MOGALAKWENA MUNICIPALITY: SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2007

EXTERNAL LOANS	Loan Number	Redeemable	Balance at 30/06/06	Received during the period	Redeemed written off during the period	Balance at 30/06/07	Carrying Value of Property, Plant&Equip	Other Costs in accordance with the MFMA
LONG-TERM LOANS			R	R	R	R		
Total long-term loans								
ANNUITY LOAN								
GOVERNMENT LOANS								
Total Government Loans								
LEASE LIABILITY								
TOTAL EXTERNAL LOANS								

MOGALAKWENA MUNICIPALITY



APPENDIX B

ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2007

	ASSETS AT COST OR REVALUATION					ACCUMULATED DEPRECIATION				CARRYING VALUE	BUDGET ADDITIONS 2007
	Opening Balance	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance		
Land and Buildings											
Land	15 816 384	25 513 384	2 231 655	5 395 557	38 165 865	574 318	384 003		958 321	37 207 545	5 050 000
Buildings*****	5 842 807	13 653 719	78 750		19 575 276	1 778	348 800		350 578	19 224 698	8 154 000
	21 659 191	39 167 103	2 310 405	5 395 557	57 741 141	576 095	732 803	-	1 308 899	56 432 243	13 204 000
Infrastructure											
Water Mains	98 278 316	1 182 531	6 104 114		105 564 960	24 450 562	5 249 053		29 699 615	75 865 345	6 300 000
Sewerage	19 024 944	8 718 703	51 778		27 795 424	4 979 268	980 402		5 959 671	21 835 754	7 661 250
Roads and Stormwater	95 254 809	173 296	33 931 512		129 359 617	24 168 851	5 397 974		29 566 825	99 792 792	38 536 000
Pedestrian	562 910				562 910	331 412	17 010		348 422	214 489	
Electricity	42 869 970	1 317 503	5 290 242		49 477 715	13 305 653	1 863 940		15 169 593	34 308 122	10 583 114
	255 990 949	11 392 032	45 377 646	-	312 760 627	67 235 746	13 508 380	-	80 744 126	232 016 501	63 080 364
Community Assets											
Recreation Grounds	1 111 999	241 228	54 368		1 407 595		33 978		33 978	1 373 618	2 772 600
Community Buildings	25 705 205	45 070 000			70 775 205		224 807		224 807	70 550 398	
Civic Buildings	10 418 341	1 685 993	-		12 104 334		336 232		336 232	11 768 103	-
	37 235 545	46 997 221	54 368	-	84 287 135	-	595 016	-	595 016	83 692 119	2 772 600
Other Assets											
Landfill sites	46 870	-	-		46 870				-	46 870	1 000 000
Office Equipment	1 673 730	292 211	-	16 178	1 949 762	1 355 203	147 642	16 178	1 486 667	463 095	354 737
Furniture & Fittings	1 318 233	629 540		3 002	1 944 770	614 576	151 706	2 753	763 528	1 181 242	490 100
Bins and containers	517 841	77 000			594 841	408 740	36 447		445 187	149 654	2 090 000
Emergency Equipment	37 332				37 332	37 330	2		37 332	-	
Motor Vehicles	14 745 917	2 548 192		885 610	16 408 500	9 255 378	1 764 083	813 581	10 205 880	6 202 620	2 933 000
Fire Engines	-				-	-			-	-	
Computer Equipment	5 458 296	297 578		174 377	5 581 498	4 554 873	575 061	174 377	4 955 557	625 940	314 900
Plant and Equipment	3 382 749			88 559	3 294 190	2 383 264	386 665	86 155	2 683 774	610 416	
Security Measures	126 923				126 923	8 997	33 888		42 885	84 038	
Other Equipment	295 053	319 559			614 612	161 948	79 262		241 209	373 403	402 200
	27 602 945	4 164 080	-	1 167 726	30 599 300	18 780 310	3 174 756	1 093 045	20 862 021	9 737 278	7 584 937
TOTAL ASSETS	342 488 630	101 720 437	47 742 419	6 563 283	485 388 202	86 592 151	18 010 955	1 093 045	103 510 062	381 878 140	86 641 901
<p>Stands to the value of R 5 395 557 were moved to inventory.</p> <p>Buildings and land not valued for the amount of R 780 000 was previously not included in the opening balance.</p> <p>Single Quarters at Mokopane Hospital was previously included but it is not the municipality's asset R 723 707.</p> <p>***** Includes correction of error referred to in note 22.</p> <p>Included in the opening balance is an amount of R 54 993 992.22 for work in progress in 2005/2006.</p> <p>From the R 54 993 992.22 projects for R 53 659 748.82 was finalised during 2006/2007</p> <p>Remaining under the opening balance is an amount of R 1 334 247 of work in progress not finalised yet at 30 June 2007.</p>											

APPENDIX C

MOGALAKWENA MUNICIPALITY



SEGMENTAL ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2007

	ASSETS AT COST OR REVALUATION					ACCUMULATED DEPRECIATION				CARRYING VALUE
	Opening Balance	Additions	Under Construction	Disposals Transfers	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	
Executive & Council	1 811 258	502 653	0	15 557	2 298 355	1 114 764	229 775	15 557	1 328 982	969 372
Finance & Admin	68 793 049	86 316 880	2 310 404.61	5 567 823	151 852 511	8 765 125	2 345 580	170 990	10 939 715	140 912 796
Planning & Development	342 057	112 573		7 965	446 665	186 131	74 484	7 965	252 650	194 015
Health	70 822	0		6 571	64 251	56 282	2 172	6 322	52 132	12 119
Community & Social Services	331 804	154 000			485 804	207 551	43 104		250 656	235 148
Public Safety	3 786 123	821 103		941 433	3 665 794	2 960 679	370 280	868 625	2 462 335	1 203 459
Sport & Recreation	2 506 841	361 419	54 368	11 996	2 910 633	860 517	245 690	11 647	1 094 560	1 816 073
Environmental Health	81 949	2 587		4 180	80 356	57 184	5 157	4 180	58 161	22 195
Waste management	24 106 977	8 923 310	51 778		33 082 066	7 878 524	1 480 575		9 359 099	23 722 966
Road Transport	96 225 864	668 296	33 931 512	7 759	130 817 913	24 981 322	5 426 391	7 759	30 399 954	100 417 959
Electricity	45 767 843	1 824 528	5 290 242		52 882 612	14 712 710	2 428 579		17 141 289	35 741 323
Water	98 655 842	2 033 088	6 104 114		106 793 044	24 809 532	5 357 403		30 166 934	76 626 109
Other	8 200				8 200	1 831	1 765		3 596	4 604
TOTAL ASSETS	342 488 630	101 720 437	47 742 419	6 563 283	485 388 202	86 592 151	18 010 955	1 093 045	103 510 062	381 878 140

APPENDIX D

MOGALAKWENA MUNICIPALITY



SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2007

2006 Actual Income	2006 Actual Expenditure	2006 Surplus/ (Deficit)		2007 Actual Income	2007 Actual Expenditure	2007 Surplus/ (Deficit)
R	R	R		R	R	R
51 545 512	54 585 201	(3 039 689)	Executive & Council	72 382 115	43 322 862	29 059 253
47 720 737	35 740 259	11 980 478	Finance & Admin	43 508 121	52 740 805	(9 232 684)
399 894	8 517 871	(8 117 977)	Planning & Development	740 888	10 328 312	(9 587 424)
996	196 977	(195 981)	Health	1 457	94 072	(92 614)
308 217	3 162 121	(2 853 904)	Community Services	480 426	3 392 199	(2 911 773)
115 727	19 320	96 407	Housing	118 485	12 392	106 093
2 648 369	8 166 385	(5 518 016)	Public Safety	2 996 848	8 990 836	(5 993 987)
1 082 192	3 821 513	(2 739 321)	Sport & Recreation	619 432	4 269 718	(3 650 286)
6 529	1 544 905	(1 538 376)	Environmental Health	3 906	1 467 251	(1 463 345)
21 840 578	10 786 044	11 054 534	Waste Management	26 496 982	15 970 928	10 526 054
27 824 512	9 983 893	17 840 619	Road Transport	37 145 894	19 657 040	17 488 854
58 871 058	45 979 369	12 891 689	Water	62 660 681	48 470 652	14 190 029
60 794 210	40 917 751	19 876 460	Electricity	72 326 728	48 055 720	24 271 008
0	317 329	(317 329)	Other	0	322 956	(322 956)
273 158 531	223 738 938	49 419 593	SUB TOTAL	319 481 963	257 095 742	62 386 221
	(12 152 802)	12 152 802	Less: Inter-Dep Charges		(15 157 954)	15 157 954
			Contributions To			
			Contributions From			
273 158 531	211 586 136	61 572 395	TOTAL	319 481 963	241 937 788	77 544 176

**ACTUAL VERSUS BUDGET (REVENUE & EXPENDITURE)
FOR THE YEAR ENDED 30 JUNE 2007**



		2007	2007	2007	2007	Explanation of Significant Variances greater than 10% versus Budget
REVENUE		Actual (R)	Budget (R)	Variance (R)	Variance (%)	
Property rates		31 174 471	30 679 075	495 396	2	
Property rates-penalties imposed and collections charges				-		
Service charges		105 410 897	90 934 359	14 476 538	16	More income due to several rezonings
Rental of facilities and equipment		257 105	250 750	6 355	3	
Interest earned-external investments		12 549 174	5 000 000	7 549 174	151	Investments made more than anticipated
Interest earned-outstanding debtors		3 610 187	3 000 000	610 187	20	Always budget R3 million because the income is not received.
Dividends received				-		
Fines		1 370 849	1 656 000	(285 151)	-17	Fines withdrawn by the prosecutor / non payment of fines due to personnel shortage
Licences and permits		5 107 122	5 325 100	(217 978)	-4	
Income for agency service		72 251	98 772	(26 521)	-27	Incorrect integration
Government grants and subsidies		144 012 276	131 480 443	12 531 833	10	
Other income		15 917 630	2 318 869	13 598 761	586	Vat review refund of over R10 million
Public contributions, donated/contributed PPE		-		-		
Gains on disposal of property, plant and equipment				-		
Total Revenue		319 481 963	270 743 368	48 738 595	18	
EXPENDITURE				-		
Employee related costs		72 889 978	71 470 457	1 419 521	2	
Remuneration of Councillors		9 010 240	10 311 602	(1 301 362)	-13	Budgeted for full time councillors that remained part time
Bad debts		14 694 185	14 694 185	-	0	
Collection costs		133 958	300 000	(166 042)		
Depreciation		22 952 972	23 882 777	(929 805)	-4	
Repairs and maintenance		31 177 187	22 409 757	8 767 430	39	Repairs and maintenance from DWAF money
Interest on external borrowings				-		not budgeted for
Bulk purchases		47 477 717	50 036 878	(2 559 161)	-5	
Contracted services				-		
Grants and subsidies paid				-		
General expenses-other		43 526 869	35 463 389	8 063 480	23	Expenditure incurred not in original budget
Loss on disposal of property, plant equipment		74 681		74 681	-100	Not budgeted for
Total Expenditure		241 937 787	228 569 045	13 368 742	6	
NET SURPLUS/(DEFICIT) FOR THE YEAR		77 544 176	42 174 323	35 369 853	84	



MOGALAKWENA MUNICIPALITY

APPENDIX E(2)

ACTUAL VERSUS BUDGET (ACQUISITION PROPERTY, PLANT & EQUIPMENT)
FOR THE YEAR ENDED 30 JUNE 2007

	2007 Actual R	2007 Under Construction R	2007 Total Additions R	2007 Budget R	2007 Variance R	2007 Variance %	Explanation of Significant Variances Greater than 10% Versus Budget
Land and Buildings							
Land	25 513 384	2 231 655	27 745 039	5 050 000	(22 695 039)	-449%	Revaluation on land of R25 163 384 was done
Buildings	13 653 719	78 750	13 732 469	8 154 000	(5 578 469)	-68%	Revaluation on buildings of R5 164 000 was done and buildings of R8 010 500 not previously valued.
	39 167 103	2 310 405	41 477 508	13 204 000	(28 273 508)	-214%	
Infrastructure							
Water Mains, Purification & Reservoirs	1 182 531	6 104 114	7 286 645	6 300 000	(986 645)	-16%	Projects budgeted for in previous financial years not yet completed
Sewerage	8 718 703	51 778	8 770 481	7 661 250	(1 109 231)	-14%	Projects budgeted for not yet completed
Roads and Stormwater	173 296	33 931 512	34 104 808	38 536 000	4 431 192	11%	Projects budgeted for not yet completed
Electricity	1 317 503	5 290 242	6 607 745	10 583 114	3 975 369	38%	Projects budgeted for not yet completed due to personnel shortage
	11 392 032	45 377 646	56 769 678	63 080 364	6 310 686	10%	
Community Assets							
Recreation Grounds	241 228	54 368	295 597	2 772 600	2 477 004	89%	Projects budgeted for not yet completed
Community Buildings	45 070 000	-	45 070 000	-	(45 070 000)	-	Revaluation on community buildings of R44 620 000
Civic Buildings	1 685 993	-	1 685 993	-	(1 685 993)	-	Civic building roll over from 05/06 completed
	46 997 221	54 368	47 051 590	2 772 600	(44 278 990)	-1597%	
Other Assets							
Landfill sites	-	-	-	1 000 000	1 000 000	100%	Project still in process
Office Equipment	292 211	-	292 211	354 737	62 526	18%	
Furniture & Fittings	629 540	-	629 540	490 100	(139 440)	-28%	
Bins and Containers	77 000	-	77 000	2 090 000	2 013 000	96%	R2000 000 was moved to inventory items
Emergency Equipment	-	-	-	-	-	-	
Motor Vehicles	2 548 192	-	2 548 192	2 933 000	384 808	13%	Auger drill fitted on tractor not purchased plus savings on budgeted amounts
Fire Engines	-	-	-	-	-	-	
Computer Equipment	297 578	-	297 578	314 900	17 322	6%	Items budgeted for not purchased
Other Equipment	319 559	-	319 559	402 200	82 641	21%	Items budgeted for not purchased
	4 164 080	-	4 164 080	7 584 937	3 420 857	45%	
Total	101 720 437	47 742 419	149 462 856	86 641 901	(62 820 955)	-73%	
Buildings and land not valued for the amount of R 780 000 was previously not included in the opening balance.							
Revaluation on land	25 163 384		Buildings not valued previously		8 010 500		
Revaluation on community buildings	44 620 000		Land not valued previously		320 000		
Revaluation - buildings	5 164 000						
	74 947 384						



MOGALAKWENA MUNICIPALITY

APPENDIX F

DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003
FOR THE YEAR ENDED 30 JUNE 2007

GRANT AND SUBSIDIES RECEIVED

Name of Grants	Name of organ of state or municipal entity	Quarterly Receipts					Quarterly Expenditure					Grants and Subsidies delayed/withheld					Reason for delay/withholding of funds	Did your municipality comply with the grant conditions in terms of grant framework in the latest Division of Revenue Act	Reason for non-compliance
		March	June	Sept	Dec	March	March	June	Sept	Dec	March	March	June	Sept	Dec	March		Yes/No	
Municipal Infrastructure Grant	Treasury	2 571 530	11 894 538	13 071 928	215 779	21 005 592	693 426	2 341	6 146 893	24 784 623	4 266 127							Yes	
Department of Water Affairs	Department of Water Affairs	1 127 013	499 748	5 175 651	2 194 457	7 955 423		1 273 231	860 486	2 356 513	1 258 522							Yes	
Finance Management Grant	Treasury			500 000			32 276	56 401	242 561	61 719	117 919							Yes	
Waterberg District Municipality	Waterberg District Municipality	3 147 096	5 250 232	1 186 600		2 339 411	20 923 528	1 555 036	373 466	332 573	402 065							Yes	
Department of Mineral & Energy	Department of Mineral & Energy	1 372 062				3 773 000	223 919				154 085							Yes	
Call centre	Office of the Premier	4 229 000					23 460	16 476		312								Yes	
Seta	Seta						23 040			92 160								Yes	
Lottery funding	National Lottery									54 368									